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MAB-Emirates alliance seen as smart move

KUALA LUMPUR: The inking of the Malaysia Airlines-Emirates codeshare agreement augurs well for the national airline as it gives room for expansion of its route network in the western hemisphere, while focusing on flights to emerging economies in Asia, an academician said Sunday.

Dr Ahmad Rizal Mazlan, the Kuala Lumpur Director of Universiti Utara Malaysia said for Malaysia Airlines, the alliance which takes off on Feb 15, heralds a new business strategy of shying away from its previous move to connect European cities to Australia, in a heavily competed route.

As part of its route rationalisation programme, it has already reduced capacity by 27 per cent in axing some routes, including to Frankfurt, Istanbul and Brisbane.

The latest destination to be withdrawn are the daily services to Paris and Amsterdam, expected to end Feb 1.

Malaysia Airlines will however, retain its double-daily flights to London, the only European destination it now serves directly.

In addition, Malaysia Airlines will be suspending its Kuala Lumpur-Dubai route by Feb 15 and re-accommodate passengers on the codeshare flights with Emirates.

"The alliance is a modern aviation tool used by a number of airlines around the globe, be it Qantas, Singapore Airlines or Thai Airways. What it does is, provide a wider network coverage for passengers, without an airline flying its own aircraft or utilising manpower.

"This allows seamless travel to major cities around the world.

"The Malaysia Airlines and Emirates strategic alliance is a good synergy as both sides are synergizing each other's strengths. Malaysia Airlines Bhd can benefit from the strength of Emirates and vice versa, in that sense.

"It is a clever, strategic move that also sees both parties leveraging on each other's strength to expand their network and in doing so, increase the two-way traffic on their respective routes," Ahmad Rizal said.

He added that via the partnership, Malaysia Airlines is strategically forging an alliance with a stronger airline like Emirates, thus capturing market without using its own planes or workforce.

"This is a win-win deal to me, not a lopsided one, and this is a good move," Ahmad Rizal said.

The deal with Emirates will give Malaysia Airlines access to 38 European destinations, and even twice daily to cities, including Rome, Frankfurt, Munich and Barcelona.

It will also expand its reach in the Americas and the Middle East, Africa and Indian Ocean.

According to Ahmad Rizal, the partnership also made good business sense considering Emirates, one of the world's fastest growing airlines, had been bringing in the largest number of passengers to Malaysia.

"In fact, Malaysia Airlines' customers will now have more travel options via the 38 destinations offered with Emirates to Europe.

"The alliance is set to offer travellers an unprecedented connectivity to Europe and through this, to virtually every point globally and not available previously on the Malaysia Airlines' routes.

"Despite cutting back on the international routes, specifically to Europe, Malaysia Airlines can still sell its tickets to European destinations and many more via Emirates. This is the benefit of having this synergistic partnership," he said.

As part of its business transformation to return to profitability in 2018, Malaysia Airlines will now refocus its network more heavily on Asia and use airline partnerships to serve many of its long-haul markets outside the region.

"This alliance also bodes well for Malaysia Airports Holdings Bhd as it can offer Kuala Lumpur as a hub to connect to South East Asia, and Dubai for connections to Europe, the Middle East, North and South Africa.

"This strategic arrangement will offer travellers a wider network of destinations at greater convenience," Ahmad Rizal said. - Bernama